



Ownership Matters? Content, Localism & Ownership on Local Television News

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A b s t r a c t

This study examines the relationship between local news content and ownership structure in five local television markets. It is an extension of the localism research that was conducted by researchers at the Federal Communications Commission in 2004. The findings of this study confirm that ownership does matter in the production of total news and local news on local television news broadcasts. There were statistically significant relationships that linked total content and local content to ownership profiles. In general, independent stations (stations that were neither owned-and-operated by a network nor part of a duopoly) broadcast more local content on their newscasts than those stations that were either (1) owned-and-operated and part of a duopoly; (2) owned-and-operated only; or (3) part of a duopoly only. In summary, consolidated media ownership negatively affects the production of local content on local television newscasts.

Introduction

The three guiding principles of media regulation and policy-making in the United States are competition, diversity and localism. They are embedded in the Federal Communications Act of 1934 as fundamental considerations that should guide policy (Federal Communications Commission, 1934). The Act also created the Federal Communication Commission (FCC) as the governmental entity responsible for such policy. Of the three principles, localism has been the least understood and the subject of the least amount of research (Napoli, 2004). In fact, in 2004 the FCC issued a Notice of Inquiry “in the meaning and appropriate application of the principle of localism as it pertains to broadcasting” (Napoli, 2004, p. 3). Further, in August 2003, then FCC Chair Michael Powell established a Localism Task Force to evaluate the performance of broadcasters in local markets. He stated:

I created the Localism Task Force to evaluate how broadcasters are serving their local communities. Broadcasters must serve the public interest, and the Commission has consistently interpreted this to require broadcast licensees to air programming that is responsive to the interests and needs of their communities (in Alexander and Brown 2004, p. 1).

The FCC’s increased interest in the concept of localism could be traced to policy decisions that it announced in June 2003. As part of its comprehensive and historic review of broadcast ownership rules, the Commission significantly relaxed most of the restrictions on media ownership. Considerations of localism were an important feature of the decisions. Some regulations (such as the newspaper-television station cross-ownership rule) were relaxed in part because the FCC stated that such an action would promote localism. Other regulations were relaxed (such as the number of television stations that one firm could own in a television market) because the FCC believed that their relaxation would not significantly harm localism because there was a wide array of media outlets available in most markets (Napoli, 2004). However, these rules were never implemented. The Third Circuit Court of Appeals stayed the order in September 2003 and in July 2004 the Court remanded most of the changes of the media ownership rules (*Prometheus v. FCC*, 2004). From the perspective of localism, the Court asserted that the FCC had not provided sufficient evidence to support its claim that cable and internet technologies would function as significant sources of local news about public affairs.

It is important to note that local television news has maintained a pre-eminence as a news source for a significant majority of Americans for over a decade. In 2006, 55 percent of the public indicated that they watched local television news everyday. That proportion has only fluctuated slightly in the years since 1995 (Gallup Poll, 2007). Further, in 2006 another 14 percent said that they viewed local

television news several times per week. In the same ten-year period, the proportion of Americans who watched network news on a daily basis decreased from 62 percent to 35 percent (Gallup Poll, 2007). By any measure, then, local television news remains an important news source for the American public.

One of the results of the Court's remanding of the media ownership rules was the creation of the Localism Task Force mentioned above. Within that context, two researchers in the Media Bureau within the FCC undertook a study to examine the relationship between localism and media ownership. That study, entitled "Do Local Owners Deliver More Localism? Some Evidence From Local Broadcast News", was based on a unique database of the content of local television news stories from across the U.S. The FCC researchers concluded that ownership does matter in the delivery of local news in local television markets. This research is an extension of that study.

The findings of this study confirm that ownership does matter in the production of total news and local news on local television news broadcasts. There were statistically significant relationships that linked total content and local content to ownership profiles. In general, independent stations (stations that were neither owned-and-operated by a network nor part of a duopoly) broadcast more local content on their newscasts than those stations that were either (1) owned-and-operated and part of a duopoly; (2) owned-and-operated only; or (3) part of a duopoly only. In summary, consolidated media ownership negatively affects the production of local content on local television newscasts.

Media, Democracy & Localism

In a democracy there is an explicit expectation that informed citizenship is a crucial and necessary condition for the functioning of the body politic. That informed citizenry depends on the existence of reliable and responsible methods of political communication. As the scale of modern society has increased, it has reduced the opportunities for more than a relatively small number of citizens to physically gather in the same place at the same time to engage the public sphere — "that realm of social life where the exchange of information and views on questions of common concern can take place so that public opinion can be formed" (Dalhgren, 1995, p. 7). Public deliberation, essential for democracy, is increasingly "mediated, with professional communicators rather than ordinary citizens talking to each other and to the public through mass media of communications (Page, 1996, p. 1). There is even the suggestion that the news media has become more than the communicator of political information, but rather that it has become a political institution (Cook, 1998). The result of such a system

produces a politics of illusion in which we, as a public, assume that the news is somehow geared to the information needs of society (Bennett, 2007). Further, we regard the present media system as naturally ordained and not subject to challenge (McChesney, 2004; Klinenberg, 2007). The link between news and democracy, however, is fragile and the mediated public sphere has profound effects on public policy. For example, political campaigns and elections are increasingly the province of media battles in which political communication is reduced to sound bites without context (Patterson, 2004; Kaniss, 1995; Patterson, 1993). There has been research that has suggested that the media's presentation of public issues such as crime (Dowler, 2003; Yanich, 2004), health (Cooper, 2000; Green, 1998; Pribble, et. al., 2006) have significant consequences for public policy.

Whether the media functions as a communicator of political information or as a political institution, it will have its strongest effect in local places because the overwhelming practice of politics in the United States occurs at the local level. Former Speaker of the House of Representatives Tip O' Neill's famous axiom that "all politics is local" is strikingly clear. Public policy issues such as zoning, education, crime, justice, transportation, waste management, poverty, housing among many others are the "stuff" of local political decisions. Therefore, localism as a policy principle is embedded in many areas of public policy (Briffault, 1988, 1990). And any reasonable discussion of these issues requires an informed citizenry. In a modern democracy, the overwhelming responsibility for informing citizens regarding the public policy issues of the day falls to the mass media. In fact, there is an explicit obligation (by statute for the electronic media and by journalistic standards for the print media) to serve the public interest (Napoli, 2001; Graber, 2001). There is substantial evidence that demonstrates the importance of local news content to local political and economic outcomes (George and Waldfogel, 2003; Stromberg, 2004). However, the production and the construction of news, either electronic or print, are subject to a calculus that treats information as a commodity (Hamilton, 2004; Adilov, Alexander & Brown, 2006). Commodified news was essentially endorsed by then FCC Chair Michael Powell in 2001 when he was asked about the digital divide, the gap in Internet access and use across demographic groups: "I think there's a Mercedes divide. I'd like one, but I can't afford it" (Hamilton, 2004, p.1). To which Hamilton replies: "In other words, markets are markets: the same principles that govern the sale of toasters and cars also work well in newspaper, television and Internet markets. I disagree with this assessment" (Hamilton, 2004, p. 1). The treatment of news as a commodity already has an effect on the nature of news and public affairs programming in local places (Yan & Napoli, 2004; Yan & Park, 2005).

Given the political and informational role of news and public affairs content in local places, the FCC's concern regarding localism in its policy-making assumes critical importance. Although the concept of localism is not well-defined, I adopt the idea that localism refers to local places that have physical geographical boundaries. That is consistent with the definition of localism employed by the FCC that appears to be rooted in the idea of communities (Alexander & Brown, 2006).

Definition & Measure of Localism

As I stated earlier, this research is an extension of a study of localism conducted by researchers at the FCC who utilized the 1998 content data that I made available to them specifically for that research. Therefore, it is necessary for this research to adopt the same definition and measure of localism.

The FCC researchers determined the definition of localism, in part, by the delineation of Designated Market Areas (DMA) by Nielsen Media Research. In a letter dated April 3, 2003 to the FCC quoted in their paper, Nielsen Media Research offers the following explanation for the construction of DMAs: "In designing the DMA regions, Nielsen Media Research uses proprietary criteria, testing methodologies and data to partition regions of the United States into geographically distinct television viewing areas, and then expresses them in unique, carefully defined regions that are meaningful to the specific business we conduct" (Alexander and Brown, p. 4).

The FCC researchers established necessary and sufficient conditions for localism. The "necessary" condition for localism was that the story had to take place within the DMA. The "sufficient" condition concerned the news stories themselves. When was a story broadcast by a station in a DMA a "local" story? The decision rule used by the FCC researchers and adopted in this analysis stipulated that the story was "local" if the story was of at least marginally greater importance to the average individual residing within the DMA and that the individual would identify the story as local. "Thus, it is the value of the story to the individual within the DMA, and that individual's perception of the story as local relative to individuals in other DMAs, that gives the story its "sufficient" local context" (Alexander and Brown, p. 5).

For example, a story about the New York Stock Exchange and its effect on the economy that was broadcast in the New York DMA would necessarily interest persons in that market whose professional activity was tied to the stock market. However, the average individual in the New York television market would likely view that story as a national issue. For the most part, the local versus non-local nature of

the story was relatively straightforward. However, in the cases where there was a question regarding that specification, my approach was to consider the story as a local issue first. That is, the coding of local versus non-local gave the benefit of the doubt to a specification as a local story. The result was that the distribution of the stories along the local/non-local dimension cast the widest net possible to include local stories. Therefore, if anything, I overstate the amount of local content on the broadcasts.

The database used by the FCC researchers consisted of stories from 20 DMAs across the U.S. in 1998. This analysis utilizes data from a new database, the broadcasts recorded in 2002 from 17 DMAs. This research focuses on the five DMAs that appear in both the 1998 and 2002 databases. They are specified later.

Methodology

The purpose of this study was to examine the extent of local content on locally produced newscasts and to examine what effect, if any, media ownership had on that local content. To conduct that analysis, I focused on the individual stories that comprised the newscasts. The basic methodology for this research was content analysis (Krippendorff, 1980). It is a method that produces a systematic and objective description of information content.

The Sample

The sample for this research was developed from the videotaped local television newscasts originally recorded by the Project for Excellence in Journalism (PEJ) during sweeps and non-sweeps time periods in 1998 and 2002. Specifically, the broadcasts were presented in March, April, May in 1998 and 2002 and August 1998. A sweeps month is a period when the Nielsen ratings of the stations' programs are recorded to establish the size of its audience and, by extension, to determine the price of advertising on the station. Obviously, the larger the audience, the more the station can charge for advertising. Non-sweeps periods are those months when the Nielsen ratings are not officially used to set advertising rates. To avoid any bias, PEJ recorded newscasts from both periods.

PEJ selected the markets by first grouping all DMAs in quartiles based on rank. Rank is determined by the number of television households in the DMA. Five markets within each quartile group were then chosen randomly after being stratified to ensure geographic diversity. PEJ chose the highest rated competing news programs in the market using the highest rated time slot as the common denominator. Hour-long newscasts and distant stations were excluded. According to PEJ, this approach provided the most consistent yardstick among markets. PEJ

provided the videotapes to me for digitizing and further study. The databases on which this research was based were developed by the Local Television News Media Project at the University of Delaware.

The coding of the broadcasts was accomplished by three graduate research assistant staff of the Local Television News Media Project at the University of Delaware. In order to assure inter-coder reliability, there were weekly meetings throughout the coding process to resolve any coding questions that may have arisen. Given the importance for this research of the specification of a story as either local or non-local, any questions regarding location were resolved by consensus (100%) among the coders. Tests for inter-coder reliability yielded a rating above 95 percent for all other variables.

In 1998, PEJ captured broadcasts from 20 DMAs. In 2002, the PEJ data included 17 DMAs. Five DMAs were present in both databases. They were: New York, #1, Los Angeles, #2, Chicago, #3, Boston, #6 and Albuquerque, #49. This research focused on the five DMAs that appeared in both 1998 and 2002 because this approach afforded the opportunity to examine a crucial aspect of ownership, duopoly. Duopoly is defined as one firm owning two television stations in the same market. There were no duopolies in 1998 because for decades there had been a prohibition for a single company to own more than one television station in a single market.. However, in 1999, the Federal Communications Commission relaxed those rules and allowed duopoly ownership (FCC, 1999). By 2002, there were duopolies in three of the five markets (New York, Los Angeles and Boston) that were present in the 1998 and 2002 databases. The databases revealed stations that were owned by seven different media firms: Walt Disney Corporation (ABC); CBS Corporation; General Electric NBC; Hearst Argyle; Hubbard Broadcasting; Emmis Communications; Sunbeam Television.

Unlike the database that was used by the FCC researchers in which there were local firms that owned local stations in the DMAs, the local owners that appeared in the database used in this research consisted of large transnational organizations. That was the result of the fact that only five DMAs appeared in the 1998 and 2002 databases. The New York DMA contains the corporate headquarters of General Electric NBC and the CBS Corporation. The Walt Disney Corporation has its corporate headquarters in the Los Angeles DMA. Given the size of these three media corporations, for this research none was considered a “local owner” in the respective DMAs in which their headquarters were located. Therefore, the specification of “local owner” was not part of this analysis.

The data regarding the ownership characteristics of the stations was provided by Dr. Mark Cooper based on the BIA data for 1998 and 2002.

Table 1: Markets, DMA* Rank and Size

Market	DMA Rank	# TV Households in 2002
New York	1	7,376,330
Los Angeles	2	5,402, 260
Chicago	3	3, 399,460
Boston	6	2, 391,830
Albuquerque	49	633,500
		Total: 18,009,830

Source: Nielsen Media Research

*Note: there are 210 DMAs in the United States. DMA rank is determined by the number of television households in the DMA. There were approximately 106.7 million TV households in the U.S. in 2002.

Stories: The Unit of Analysis

The unit of analysis was the individual story that was shown on the newscast. The sample included 280 broadcasts from the five markets in 1998 and 2002 and yielded 4,021 separate stories, excluding sports and weather. In 1998 and 2002 there were 1,887 and 2,134 stories, respectively. These stories were coded initially into the following categories:

1. Crime: crime event, police, courts, corrections, criminal justice policy, administration
2. Health issues
3. Business & Economy/Stocks
4. Environment
5. Education
6. Public issues (all public issues such as housing, etc. other than crime, health, education or environment)
7. Soft News/Human Interest
8. City government (story in which action is taken by city government)
9. County/State government (story in which action is taken by county/state government)
10. Clinton investigations (the 1998 newscasts contained these stories)
11. Political campaigns/politics
12. Consumer news
13. Fires/Accidents/Disasters
14. International stories
15. Promos for news/station/network
16. Entertainment
17. Other

18. Iraq/Afghanistan (only in 2002 broadcasts)
19. War on terror hard news (only in 2002 broadcasts)
20. War on terror soft news (only in 2002 broadcasts)

After this coding scheme was applied to the stories, they were further filtered and collapsed into five categories that specified stories from which we could reasonably expect information that would assist citizens to be more informed and those from which we could reasonably expect no such information.¹ The categories that included a public information expectation were: **1. crime; 2. public issues; 3. government/politics.** The two story types for which there was no public information expectation were: **1. human interest; 2. other.**

Broadcast Content

The content of the newscasts was analyzed along two dimensions, story type (a content factor) and placement (a production factor) of the story within the newscast. Placement was defined as the block within which the story was broadcast. Blocks are defined as those portions of the newscast that are separated by commercial breaks. Therefore, the first block is that period between the opening of the broadcast and the first commercial break. The first block is the most important portion of the newscast and as such, was reserved for the most newsworthy stories of the day. Typically, the first block lasted between 9 and 11 minutes and was the longest block of the newscast. As we might expect, the zero-sum game of deciding which stories were included in the newscast was played most seriously in this instance. The first-block stories must capture and hold an audience. They represent the newscast's "best shot" to play the ratings game. News directors are keenly aware of the possibility of an audience switching the channel. Therefore, the stories in the first block tell us much about what the stations considered not only newsworthy, but more important, audience generating. I first present the findings of the distribution of the stories as defined by the expansive list of type of stories (Table 4). The information includes the percentage of stories for each story type, the percentage of broadcast time that each story type consumed and the percentage of broadcast time in which the type of story was broadcast in the first block.

¹ The grouping of the 20 story types into the five **citizen-information** types was accomplished in the following manner: **Crime**=crime (#1); **Public issues**=health, business, environment, education and public issues (#2-6), consumer news (#12), international stories (#14), Iraq/Afghanistan (#18), War on terror hard news (#19); **Government/Politics**=city government, county/state government (#8-9), Clinton investigations (#10), political campaigns/politics, (#11); **Human interest**=soft news/human interest (#7), War on terror soft news (#20); **Other**= Fires/Accidents (#13), Promos for station (#15), Entertainment (#16), Other (#17).

The news directors had very clear ideas regarding which types of stories were most newsworthy. Crime stories were the most prominent type of story that was broadcast, both as a percentage of stories and as a percentage of broadcast time, 29.2% and 31%, respectively (Table 2). That was more than twice as much in each category than the second most prominent story type, human interest (14.7% and 13.1%, respectively). The third most prominent story type was fires/accidents (10.6% and 9.6%, respectively). Combined, these three story types accounted for over half of the time of the broadcasts (53.7%).

Table 2: Distribution of stories, broadcast time and placement

Story Type	Percentage of stories	Percentage of broadcast time	Percentage of broadcast time in first block
Crime	29.2	31.0	81
Human Interest	14.7	13.1	32
Fires/Accidents	10.6	9.6	79
Health issues	6.0	7.2	16
Public issues	6.0	6.0	48
Business & Economy	4.3	2.9	41
Political campaigns/politics	4.1	5.0	71
Consumer news	3.7	4.6	7
County/State government	2.9	2.5	71
International stories	2.9	2.9	61
Other	2.5	2.0	61
Entertainment	2.3	2.6	3
Clinton investigations	1.8	1.8	77
Iraq/Afghanistan	1.7	2.0	87
Education	1.6	1.4	71
War on terror, hard news	1.5	1.6	84
City government	1.3	1.3	56
War on terror, soft news	1.2	1.4	58
Environment	1.0	1.0	40
Promos for station/network	0.6	0.2	5
	100 (N=4021)	100	

While a variety of stories were broadcast, the remaining seventeen story types combined accounted for under half of the broadcast time (46.3%). It is

especially revealing that the public issues category (those stories that included every other public issue other than crime, environment, health and education) accounted for only 6 percent of broadcast time.

Placement

In addition to the proportion of broadcast time and stories that each story type occupied, the placement of the story in the broadcast had crucial implications for how the audience understood its importance. Television newscasts are “consumed” in a series—that is, one story must be viewed in order to view the story after it. That is unlike the consumption pattern for print. Readers can and do skip through the newspaper to the particular sections or stories that pique their interests. Once the newspaper is purchased by the reader, the “marketing” function of the front page or headlines is complete. That is not the case with television news. The audience can easily switch from one program to another with the click of a button on the remote. Nielsen Media Research takes account of the audience in six-minute intervals. Therefore, the newscast must constantly “sell” its product in order to hold its audience. Consequently, the placement of stories is a crucial consideration for news directors.

The placement pattern for the stories revealed much about how news directors decided to attract and hold an audience. Not only was crime the overwhelming leader both in proportion of broadcast time and percentage of stories in the newscasts, these stories were also presented in the first block over eight out of ten times (81%, see Table 2). Only stories about Iraq/Afghanistan and hard news about the war on terror (both in the 2002 broadcasts) appeared in the first block more often as a proportion of those story types (87% and 84%, respectively). But they only occupied a very small proportion broadcast time (2% and 1.4%, respectively). Therefore, the prominence of the crime stories in the broadcasts was heightened both by their frequency and their placement. But there is also a converse effect to this news coverage. It explicitly reduces the importance of other news subjects in its construction of reality in these local places. The zero-sum nature of news selection for television broadcasts is made manifest. An emphasis on crime stories, by definition, leads to a de-emphasis on other types of stories. To wit: stories about city government occupied only 2 percent of broadcast time; environment was at 1 percent; education was at 1.4 percent (Table 2).

Content Useful to Citizens

A primary concern of this research is the usefulness of news content to citizens. The degree of “local” content is a part of that equation. Another part is an understanding of the distribution of news stories in which we might reasonably

expect information that would be useful to citizens in their exercise of citizenship. Therefore, I aggregated the large list of story types into five categories (citizen-information). The first three categories, crime, public issues and government/politics were those stories in which we might expect information for citizens. Two other categories, human interest and other, comprised those stories in which there was no such expectation. Adding the proportions of the broadcasts that were devoted to crime, public issues and government/politics, 68 percent of the newscasts was used for stories in which we might have an expectation for information that would be useful to citizens (Table 3). A further content analysis would be required to determine if, in fact, such information was actually delivered in the stories. However, there has been research to indicate that the overwhelming majority of crime reporting on local television news treats the story as an episode rather than providing the viewer with a theme or context for the event (Budzilowcz, 2002). It is interesting to note that the coverage of government and politics (10%) accounted for the least amount of broadcast time among all of the categories.

Table 3: Distribution of Citizen-Information Story Types

Story Type	Percentage of Broadcast Time
<i>Information for citizens</i>	
Crime	29
Public Issues	29
Govt/Politics	10
<i>No Information for citizens</i>	
Human Interest	16
Other	16

100

How does the distribution of these citizen-information stories look across the DMAs that were part of the study? There was significant variation among the television markets ($p=.000$). For example, the proportion of broadcast time devoted to crime ranged from 39 percent in Boston to 24 percent in Chicago (Table 4). While Boston presented the most crime news (39%), it was next to last in its proportion of the coverage of public issues (24%). Coverage of government and politics varied significantly from 15 percent in Chicago (which also broadcast the least amount of crime news) to 4 percent of broadcast time in Los Angeles (which trailed the leader in broadcasting crime news by only one percent). There was also significant variation among the DMAs in the “other” citizen-information story type from 20 percent in Albuquerque to 9 percent in New York.

Table 4: Citizen-Information Story type* by DMA **

DMA	Crime	Public Issue	Govt/Politics	Hum. Interest	Other
Boston	39	24	8	14	15
Los Angeles	38	23	4	17	19
New York	29	37	5	19	9
Albuquerque	26	28	13	13	20
Chicago	24	35	15	10	16

*= reported as percentage of broadcast time; **= significant at p=.000

Does the distribution of citizen-information type stories change with ownership of the station? The striking feature about this distribution is that, with the exception of CBS, there was almost a perfect inverse relationship between the coverage of crime and the coverage of government and politics. That is, as crime coverage decreased, the coverage of government and politics increased. The stations owned by Sunbeam broadcast the most crime news (39%) and, in turn, broadcast the least amount of news about government and politics (Table 5). Conversely, the stations owned by Ennis broadcast the least amount of crime news and the highest amount of government and politics news (27% and 13%, respectively). These relationships were statistically significant (p=.000).

Table 5: Citizen-Information Story Type* by Owner**

Owner	Crime	Public Issue	Govt/Politics	Hum. Interest	Other
Sunbeam	39	28	5	8	19
General Electric (NBC)	33	28	9	15	15
Walt Disney (ABC)	31	33	9	10	17
CBS	31	30	6	20	13
Hearst	28	30	11	13	18
Hubbard	28	21	12	16	21
Emmis	27	30	13	13	17

*= reported as percentage of broadcast time; **= significant at p=.000

Station Ownership Characteristics

The research question for this study was concerned with the extent to which the ownership of local stations affected, if at all, the local content of television news broadcasts. In this section, I present the station ownership characteristics that were the independent variables for the regression analysis. They are consistent with and extend the previous work of the FCC researchers.

The crucial ownership characteristics of the stations in the database were whether the station was owned-and-operated by a network and whether the station was a part of a duopoly. Owned-and-operated refers to stations that are owned-and-operated by the network itself. For example, WNBC in New York is owned-and-operated by NBC Universal. Duopoly refers to whether the station was part of a duopoly, that is, it was one of at least two stations that were owned by the same firm in the same DMA. Given these specifications, the stations' ownership profile was one of four possibilities. They were:

1. Owned-and-Operated and Duopoly: The station was owned-and-operated by a network and it was part of a duopoly in the DMA. This was coded as one if the condition were true and zero if it were not.

2. Owned-and-operated Only: The station was owned-and-operated only and NOT part of a duopoly. This was coded as one if the condition were true and zero if it were not.

3. Duopoly Only: The station was part of a duopoly in its DMA and NOT owned-and-operated by a network. This was coded as one if the condition were true and zero if it were not.

4. Not Duopoly nor Owned-and-operated: The station was neither part of a duopoly nor was it owned-and-operated by a network. This was coded as one if the condition were true and zero if it were not.

Three other station ownership characteristics were used independent variables in this analysis. They were:

1. Owned DMAs: Owned DMAs referred to the total number of markets in which the owner owned a television station. This was coded as a continuous ratio variable representing the number of markets.

2. Number of TV stations owned by owner: This referred to the number of television stations owned by the owner across the U.S. This was coded as a continuous ratio variable indicating the total number of stations.

3. Own newspaper in different DMA: This referred to whether the owner of the television station also owned a newspaper in a DMA other than the one in which the station was located. This was coded as one if the condition were true and zero if it were not.

Stations & Station Ownership

The fifteen stations that appeared in both the 1998 and 2002 newscasts were owned by seven media firms: Walt Disney Corporation (ABC), CBS, Inc., General Electric (NBC), Hearst, Hubbard, Emmis Communications and Sunbeam Television. Ten of the stations were owned-and-operated by a network and these stations were present in four of the five DMAs in the sample (Table 6).

Table 6: Ownership by Station by DMA

Owner	Station	DMA
Walt Disney Corp (ABC)	WABC*	New York
	KABC*	Los Angeles
	WLS*	Chicago
CBS	WCBS*	New York
	KCBS*	Los Angeles
	WBBM*	Chicago
	WBZ*	Boston
General Electric (NBC)	WNBC*	New York
	KNBC*	Los Angeles
	WMAQ*	Chicago
Hearst Argyle	WCVB	Boston
	KOAT	Albuquerque
Hubbard	KOB	Albuquerque
Emmis Communications	KRQE	Albuquerque
Sunbeam	WHDH	Boston

*= O & O, stations owned and operated by a television network

There were also duopolies among the stations represented in the sample. Duopolies are defined as one firm owning two television stations in the same market.

Duopolies occurred in three of the five markets, New York, Los Angeles and Boston and the duopoly owners were CBS, General Electric NBC and Hearst Argyle. (see Table 7).

Table 7: Duopoly Owners, Stations & Markets

Owner	Duopoly Station	Second station in market	Market
CBS	KCBS	KCAL	Los Angeles
	WBZ	KSBK	Boston
General Electric (NBC)	KNBC	KSCI	Los Angeles
	WNBC	WNJU	New York
Hearst	WCVB	WMUR	Boston

Local Content, Television Markets & Station Ownership

The fundamental question for this research concerned the degree of local content on local television news. As I stated earlier, a local story was defined as having been broadcast in the DMA and perceived by the average viewer in the DMA as a local story. How was the local versus non-local nature of the stories distributed across the DMAs? Across the different owners of the stations?

There were significant differences in the proportion of broadcast time that was devoted to local content across the DMAs. And that difference was statistically significant. Overall, stations in the Albuquerque market devoted the most broadcast time to local stories (78%); local content only accounted for 61 percent of broadcast time in Los Angeles (Table 8). In every DMA, however, local stories were significantly longer (as measured by median number of seconds) than non-local stories (41 seconds and 31 seconds, respectively). Only in the New York DMA was the duration of local versus non-local stories almost exactly the same (medians of 36 seconds and 35 seconds, respectively). It is important to note that the three DMAs that registered the lowest proportion of local content (Boston, New York and Los Angeles) were those markets in which duopolies existed.

Table 8: Local Content by DMA and Median Duration of stories

DMA	Percent of broadcast time devoted to local content*	Median duration* of local stories (seconds)	Median duration* of non-local stories (seconds)
Albuquerque	78	39	24
Chicago	72	44	31
Boston	68	46	34
New York	62	36	35
Los Angeles	61	42	37
<i>All stories</i>	<i>69</i>	<i>41</i>	<i>31</i>

*=Significant at $p=.000$.

As with the DMAs, there were significant differences among the owners regarding local content. Given that the database was limited to a relatively small number of stations in a relatively small number of DMAs, this finding was essentially a different view of the DMA distribution. However, it was clear that ownership did matter regarding the proportion of local content on newscasts. The broadcasts of the Hubbard station devoted the largest proportion of its broadcast time to local content (85%); the Sunbeam station was at the opposite end of the scale at 64 percent (Table 9). Further, the pattern of the duration of local versus non-local stories also obtained for the ownership groups. That is, regardless of ownership, local stories were longer (as measured by median number of seconds) than non-local stories.

Table 9: Local Content by Owner

Owner	Percent of broadcast time devoted to local content	Median duration* of local stories (seconds)	Median duration* of non-local stories (seconds)
Hubbard	85	34	23
Hearst	74	46	32
Emmis	72	41	24
CBS	67	40	32
NBC GE	65	41	34
Walt Disney ABC	65	41	35
Sunbeam	64	45	27
<i>All stories</i>	<i>69</i>	<i>41</i>	<i>31</i>

*= Significant at $p=.000$

News Content and Station Characteristics

The tables below report the findings of the analysis of the total amount of news content and the amount of local news content on the broadcasts. The results of the regression analyses that examine the relationship between local content and station characteristics are also presented. The dependent variables were specified in this research as: (1) the proportion of the broadcasts that was devoted to news, and (2) the proportion of the broadcasts that were local in content. That is different from the dependent variables that were specified by the FCC researchers. They utilized as the dependent variables: (1) the total number of news seconds and (2) the total number of local news seconds. Conceptually, however, the two sets of dependent variables are consistent. Each approach measures the amount of news and the amount of local news on the newscasts. The dependent variables used in this research are expressed in standardized form as proportions. That standardization was developed because the number of broadcasts attributed to owners varied as they owned different numbers of stations. For example, if a firm owned three stations in the database, by definition, it would register more time both for news in general and for local news in particular. As a result, the amount of general news and local news content had to be calculated in a standardized form to make comparisons across the stations and the owners possible. That was accomplished by stating the dependent variables as proportions rather than the total amount of time devoted to news or local news.

How Much News?

A primary question regarding local news broadcasts is how much time is devoted to news. In a half-hour newscast the conventional wisdom is that 22.5 minutes of the broadcast is available for news. The other 7.5 minutes is devoted to commercials. In this research, everyday weather and sports sections of the newscasts were not included in the analysis because they were structural features of the broadcast. Their inclusion in the newscast was a foregone conclusion and they were not subject to the zero-sum game of news selection. Of course, the segments may have been shorter or longer, depending on the stories that surrounded them, but they were always part of the newscasts in the database for this research. Therefore, these segments were not treated as news stories in the broadcasts.

With this approach, it was possible to determine the amount of time that the broadcasts devoted to news by subtracting the time applied to the sports and weather segments from the 22.5 minutes available for news selection. The remaining time after that subtraction for each broadcast rendered the amount of time utilized for news. It was specified as a proportion.

Although the sports and weather segments of the newscasts were not defined as news, there were occasions when these types of stories were included in news content. That occurred when they were presented outside of the sports and weather segments as independent stories. For example, a weather story about the effects of a severe storm or sports story about steroid use among professional athletes that were reported outside of their prospective segments as news stories were included as news.

Table 10 below summarizes the amount of total news and local news that was presented across the different ownership profiles of the television stations. The ownership profile was significantly related to broadcast content. Those stations that were neither part of a duopoly nor owned-and-operated by a network produced the highest proportion of local news (75%) and marginally less total news as a proportion of the broadcast (65%). Conversely, stations that were either part of an owned-and-operated or part of a duopoly registered significantly lower proportions of local content (between 64% and 67%). The proportion of total news varied from a high of 69 percent for stations that were owned-and-operated only to a low of 59 percent for those stations that were part of a duopoly only.

Table 10: Ownership Profiles & News Content

News Content (mean %)	Not Duopoly or O&O	Duopoly only	O&O Only	O&O and Duopoly
% Local news	75*	67	65*	64*
% Total news	65*	59	69*	66*

*=Significant at $p=.000$

The comparator ownership condition that was used in the regression analyses was that the station was neither owned-and-operated by a network nor was it part of duopoly. Therefore, the results of the regression were measured against that condition.

The total amount of news broadcast by the stations was affected by station ownership characteristics, although that effect accounted for just over eleven percent ($R^2=.011$) of the variance in news content (Table 11). Interpreting the statistically significant OLS results, three characteristics negatively affected the amount of news on broadcasts. Being part of a duopoly only reduced the station's proportion of news by almost nine percent (-8.951%). Stations broadcast less news in 2002 than in 1998 (by -0.994%). The stations whose owners owned stations in other television markets also produced slightly less news than stations whose owners had fewer stations (by -0.236%).

Four of the variables were positively associated with the proportion of news content. The number of stations owned by a firm slightly increased the proportion of news on the broadcasts (0.201 %). Stations that were owned-and-operated by a network and part of a duopoly produced just over three percent more news (3.091 %). Stations whose owners owned a newspaper in a different DMA produced just over five percent (5.027%) more news and stations which were owned and operated by a television network only presented just over five percent (5.25%) more news on their broadcasts (Table11).

Table 11: News Content to Station Characteristics

Station characteristic	OLS Regression Coefficient	t-statistic
Duopoly only	-8.951	-11.792*
Broadcast year 2002	-0.994	-3.833**
# markets in which owner owns TV stations	-0.236	-9.488*
# TV stations owned by owner	0.201	8.682*
Owned & operated and duopoly	3.091	5.656*
Own paper in different DMA	5.027	7.928*
Owned & operated only	5.25	13.408*

*=Significant at p=.000. **=Significant at p=001. $R^2 = .011$, # of observations=280 broadcasts

How does the location of the station affect the amount of news produced on the broadcasts? Table 12 shows the results of the regression equation that examined that question. The New York DMA, the largest in the country and, by definition, the largest in the database, was used as the comparator market. The statistically significant OLS results show that in the Boston DMA, the stations produced over 12 percent less news on their newscasts (-12.856). Albuquerque and Chicago stations presented just under three percent (-2.878) and two percent (-1.680) less news than the stations in the New York DMA. The stations in Los Angeles produced slightly more news than those in New York (1.044 percent). The model accounts for over 26 percent of the variance ($R^2=.263$) .

Table 12: News Content to Television Market

DMA	OLS Regression Coefficient	t-statistic
Boston DMA	-12.856	-31.756*
Albuquerque DMA	-2.878	-7.985*
Chicago DMA	-1.680	-4.576*
Los Angeles DMA	1.044	2.847**

*=Significant at $p=.000$. **=Significant at $p=.004$. $R^2 = .263$

How Much Local News?

The amount of local news that was presented on the newscasts was affected by the ownership characteristics of the stations. Again, as with of total news content, the comparator ownership profile used in the regression was that the station was neither owned-and-operated by a network nor was it part of a duopoly.

Interpreting the statistically significant OLS results, five of the seven variables negatively affected the amount of local news on the broadcasts (Table 13). The equation accounted for over 30 percent of the variance ($R^2=.313$). By far, the strongest factor that affected local news content was whether the station was owned-and-operated by a network and that it was part of a duopoly. When that was the case, local news content decreased by over sixteen percent (-16.389%). When the station's ownership profile was owned-and-operated only, local news content decreased by over twelve percent (-12.388%). Duopoly only ownership status also had a negative effect on local news content, decreasing it by over ten percent (-10.691%). If the owner of the station owned a newspaper in another DMA, local news content was also diminished by just over one percent (-1.253%). The number of markets in which the station owner owned television stations very slightly decreased local content (-0.170%).

On the positive side, the number of television stations owned by the owner slightly increased the proportion of local news content by just under one-half of one percent ($.458\%$). Broadcasts in 2002 showed just under a four percent (3.982%) increase in local content over broadcasts in 1998.

Table 13: Local Content to Station Ownership Characteristics

Station characteristic	OLS Regression Coefficient	t-statistic
Owned& operated and duopoly	-16.389	-28.166*
Owned & operated only	-12.388	-29.711*
Duopoly only	-10.691	-13.226*
Own paper in different DMA	-1.253	-1.855**
# markets in which owner owns TV stations	-0.170	-6.883*
# TV stations owned by owner	0.458	17.292*
Broadcast year 2002	3.982	14.418*

*=Significant at p=.000. **=Significant at p=.01 $R^2 = .313$, # of observations=280 broadcasts

Location also affected the proportion of local news content on the broadcasts. Again, using the New York DMA as the comparator television market, I examined the issue (Table 14). The equation explains about 38 percent of the variance ($R^2=.381$). The statistically significant OLS results showed that location does matter. The stations in three of the four remaining DMAs all produced more local news content than New York. In the Albuquerque DMA there was about 16 percent (15.999) more local content than in the New York television market. More modestly, the Chicago and Boston DMAs produced just under seven percent (6.827) and just under five percent (4.246) more local content. Only in the Los Angeles DMA was there marginally less local content on the newscasts, just over one percent (-1.334), than in the New York DMA.

Table 14: Local Content to Television Market

DMA	OLS Regression Coefficient	t-statistic
Albuquerque DMA	15.999	39.935*
Chicago DMA	6.827	16.729*
Boston DMA	4.246	9.436*
Los Angeles DMA	-1.334	-3.274**

*=Significant at p=.000. **=Significant at p=.001. $R^2 = .381$

Discussion

This research partially extended the examination of local content and ownership characteristics that was undertaken by FCC researchers Peter Alexander and Keith Brown. They concluded that ownership matters. Although I did not examine local owners because none was included in the database, I extended the analysis to include a second year of broadcasts, 2002. I examined various ownership characteristics and their effect on total news content and local content. And I reached the same conclusion—ownership does matter. To be sure, the examination of five markets rather than a larger sample does suggest some caution in the interpretation of these results. However, the consistent pattern of ownership characteristics and their effect on local news content is clear. Television stations that were owned-and-operated and part of a duopoly (O&O/ Duo) produced slightly more total news content (just over 3%) than stations that had neither of those conditions (Not O&O nor Duo). However, these stations produced significantly less local content (over 16%) than those that were independent of the network and duopolies. That makes some economic sense for the stations and the network because the cost of the production of stories was borne only once while the opportunities to transmit the story and, therefore realize advertising revenue, were spread across the network stations. Who has not seen the proverbial “go-behind-the-scenes” of “fill-in-the-blank” network-hit-show story that is presented by local O&Os (and affiliates) as if it were news? It is an example of the synergy that media firms covet.

Stations that were owned-and-operated only produced more total news content than the “Not O&O and Duo” stations (by over 5%). However, they also produced less local content than the “Not O&O and Duo” stations (by over 12%). We can speculate regarding the reasons for such a condition. The stations with access to the resources of the networks to which they belonged could easily acquire content that the network or another station owned by the network produced. However, that content was probably produced so that it would have an appeal to the widest possible audience and, therefore, it could be broadcast by any of the stations that the network owns (or its affiliates). Therefore, that content would not be “local” for the vast majority of stations that included it in the broadcast.

Duopoly only status was an ownership characteristic that negatively affected both the amount of total news and the proportion of local news content. Duopolies produced almost nine percent less total news and over ten percent less local content than stations that were neither duopolies nor owned-and-operated by a network. The same calculus is at work here as the issue with O&Os—there are economies of scale in the production and transmission of news content. Two of the three owners who

owned duopolies had them in two separate DMAs. CBS owned duopolies in Los Angeles and Boston and General Electric NBC owned duopolies in Los Angeles and New York (see Table 7).

Ownership of a newspaper paper in a DMA other than the market in which the owner owned a television station positively affected the production of total news (an increase of just over five percent). However, that arrangement negatively affected the proportion of local content on the broadcasts of the station (a decrease of over one percent).

When the owner of the television station also owned stations in other DMAs, both the total amount of news and the proportion of local content decreased. Although, the decrease was slight, the differences were statistically significant, meaning that they occurred beyond chance.

The number of television stations owned by an owner slightly increased both total news production and the proportion of local news content. Again, the increase is very slight, but it was statistically significant.

Finally, we learned that, of the two years in which this content was presented, 1998 and 2002, the year in which the broadcasts occurred had an effect on the amount of news and the proportion of local content. The broadcasts of 2002 presented slightly less total news (just under one percent)) than those in 1998. However, the 2002 broadcasts contained a higher proportion of local content (just under four percent). The relationships were statistically significant.

Conclusions

This research represents a preliminary examination of the potential relationship between the content of local news broadcasts and ownership characteristics. I used the content from five DMAs that appeared in databases that were comprised of content analysis of broadcasts in 1998 and 2002. An important feature of this research is that the actual content of local news programs was analyzed. Further research will examine the same relationship using content data from seventeen television markets in 2002. However, this examination revealed the contours of the relationship between ownership and television news content. As I said previously, ownership matters. Further, ownership matters in specific ways. Consolidated ownership negatively affects the proportion of local content on local television news broadcasts.

The FCC is now re-considering its media ownership rules and, by all indications, the agency is poised relax the restrictions on not only the number of television stations that can be owned by one firm, but also cross-media ownership of television stations and newspapers. This analysis, consistent with the findings of the FCC' s own research, raises serious questions about the wisdom of such consolidation.

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